

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

C

W-02597A
CEDAR GROVE WATER
P. O. BOX 876
TAYLOR AZ 85939-

ANNUAL REPORT

ARIZONA CORPORATION
COMMISSION

RECEIVED
MAR 19 2002

Director of Utilities

FOR YEAR ENDING

12	31	2001
----	----	------

FOR COMMISSION USE

ANN04	01
-------	----

Processed by:

3-19-02 C.m

SCANNED

COMPANY INFORMATION

Company Name (Business Name) CEDAR GROVE WATER

Mailing Address P.O. BOX 876
TAYLOR AZ 85939

Email Address

Local Office Mailing Address P. O. BOX 426
LAKESIDE AZ 85929

(928)537-8739 (928)536-5431 (928)532-6941/(928)521-7128
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

MANAGEMENT INFORMATION

Management Contact: MARK GRAPP, OWNER
P.O. BOX 876
TAYLOR AZ 85939

(928)537-8739 (928)536-5431 (928)532-6941/(928)521-7128
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

On Site Manager: MARK GRAPP, OWNER
P.O. BOX 876
TAYLOR AZ 85939

(928)537-8739 (928)536-5431 (928)532-6941/(928)521-7128
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

Statutory Agent: NOT APPLICABLE

Attorney: NOT APPLICABLE

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☒ **Sole Proprietor (S)**

C Corporation (C) (Other than Association/Co-op)

Partnership (P)

Subchapter S Corporation (Z)

Bankruptcy (B)

Association/Co op (A)

Receivership (R)

Limited Liability Company

Other (Describe)

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☒ **APACHE**

COCHISE

COCONINO

GILA

GRAHAM

GREENLEE

LA PAZ

MARICOPA

MOHAVE

NAVAJO

PIMA

PINAL

SANTA CRUZ

YAVAPAI

YUMA

STATEWIDE

CEDAR GROVE WATER**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost	Less Fully Depreciated Plus Additions	Plant Balance	Accumulated Depreciation	O.C.L.D.
301	Organization Cost	1,000	Not Depreciable	1,000	Not Applicable	1,000
302	Franchise Cost	500	Not Depreciable	500	Not Applicable	500
303	Land and Land Rights	1,000	Not Depreciable	1,000	Not Applicable	1,000
304	Structures and Improvements	10,500	-2,000	8,500	849	7,651
307	Wells and Springs	20,700	-745	19,955	1,995	17,960
311	Electric Pumping Equipment**	17,905	4,705	22,610	11,713	10,897
320	Water Treatment Equipment	500	-500	0	0	0
330	Distribution Reservoirs & Standpipe:					0
	330.1 Storage Tanks	4,500	93,356	97,856	2,372	95,484
	330.2 Pressure Tanks	8,300		8,300	8,300	0
331	Transmission and Distribution Mains	199,540	82,412	281,952	14,843	267,109
333	Services	15,084		15,084	1,506	13,578
334	Meters	3,806	2,806	6,612	1,202	5,410
335	Hydrants					0
339	Plant Structures and Improvements					0
340	Office Furniture and Fixtures					0
341	Transportation Equipment					0
343	Tools and Work Equipment	350	541	891	458	433
344	Laboratory Equipment					0
345	Power Operated Equipment					0
346	Communications Equipment					0
347	Miscellaneous Equipment					0
348	Tangible Plant	550	-550		0	0
	TOTAL WATER PLANT	284,235	180,025	464,260	43,238	421,022

Accumulated Depreciation Total goes on the Balance Sheet Acct. No. 108.

CEDAR GROVE WATER**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost	Less Fully Depreciated Plus Additions	Plant Balance	Depreciation Percentage	Depreciation Expense
301	Organization Cost	1,000	Not Depreciable	1,000		
302	Franchise Cost	500	Not Depreciable	500		
303	Land and Land Rights	1,000	Not Depreciable	1,000		
304	Structures and Improvements	10,500	-2,000	8,500	3.33%	283
307	Wells and Springs	20,700	-745	19,955	3.33%	665
311	Electric Pumping Equipment**	17,905	4,705	22,610	20%	4,522
320	Water Treatment Equipment	500	-500	0		0
330	Distribution Reservoirs & Standpipe					0
	330.1 Storage Tanks	4,500	93,356	97,856	2.22%	2,172
	330.2 Pressure Tanks	8,300	0	0	5.00%	0
331	Transmission and Distribution Mains	199,540	82,412	281,952	2.00%	5,639
333	Services	15,084		15,084	3.33%	502
334	Meters	3,806	2,806	6,612	8.33%	551
335	Hydrants				2%	0
339	Plant Structures and Improvements				6.67%	0
340	Office Furniture and Fixtures				6.67%	0
341	Transportation Equipment				5%	0
343	Tools and Work Equipment	350	541	541	20%	108
344	Laboratory Equipment				5%	0
345	Power Operated Equipment				5%	0
346	Communications Equipment				5%	0
347	Miscellaneous Equipment				10%	0
348	Tangible Plant	550	-550			0
	TOTAL WATER PLANT	284,235	180,025	455,610		14,442

**Note: CGW submersible pumps avg. service life of 5 yrs. due to electrical single-phase power only provided in the area.

Depreciation Expense Total goes on Comparative Statement of Income and Expense Acct. No. 403.

CEDAR GROVE WATER

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1,171	\$ 6,432
134	Working funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	\$ 27	\$ 2,944
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	\$ 3,197	\$ 3,184
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 4,395	\$ 12,560
	FIXED ASSETS		
101	Utility Plant in Service	\$ 280,090	\$ 464,260
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	\$ (28,446)	\$ (43,238)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 251,644	\$ 421,022
	TOTAL ASSETS	\$ 256,039	\$ 433,582

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

CEDAR GROVE WATER

BALANCE SHEET (CONTINUED)

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current Portion)	\$ -	\$ -
234	Notes/Accounts Payable to Associated Companies	\$ -	\$ -
235	Customer Deposits	\$ 8,544	\$ 10,794
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT AND ACCRUED LIABILITIES	\$ 8,544	\$ 10,794
	LONG TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		\$ 108,000.00
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advance in Aid of Construction	\$ 220,276	\$ 231,109
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	\$ 4,019	\$ 4,019
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL LIABILITIES	\$ 232,838	\$ 353,922
	CAPITAL ACCOUNTS		
201	Common Stock Issued		
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	\$ 84,659	\$ 79,660
	TOTAL CAPITAL		
	TOTAL LIABILITIES AND CAPITAL	\$ 317,497	\$ 433,582

CEDAR GROVE WATER

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 47,403	\$ 63,217
460	Unmetered Water Revenue	\$ 253	
474	Other Water Revenue	\$ 725	\$ 815
	TOTAL REVENUES	\$ 48,381	\$ 64,032
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 16,923	\$ 15,365
610	Purchased Water		
615	Purchased Power	\$ 7,449	\$ 7,162
618	Chemicals		
620	Repairs and Maintenance	\$ 1,350	\$ 2,607
621	Office Supplies and Expense	\$ 2,276	\$ 3,143
630	Outside Services	\$ 10,757	\$ 10,074
635	Water Testing	\$ 1,732	\$ 2,767
641	Rents	\$ 4,113	\$ 3,385
650	Transportation Expenses	\$ 5,640	\$ 4,705
657	Insurance - General Liability	\$ 834	\$ 576
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case	\$ 1,553	\$ 53
675	Miscellaneous Expense	\$ 825	\$ 123
403	Depreciation Expense	\$ 11,122	\$ 14,442
408	Taxes Other Than Income	\$ 2,274	\$ 3,103
408	Property Taxes	\$ 4,472	\$ 2,441
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 71,321	\$ 69,946
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 102	\$ 47.00
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	\$ (109)	\$ (132.00)
	TOTAL OTHER INCOME/EXP	\$ (7)	\$ (85)
	NET INCOME/(LOSS)	\$ (22,947)	\$ (5,999)

CEDAR GROVE WATER**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	09/01/2001	N/A	N/A	N/A
Source of Loan	WIFA			
ACC Decision No.	63673			
Reason for Loan	Constr. Interconnect			
Dollar Amount Issued	\$120,000.00			
Amount Outstanding	\$108,000.00			
Date of Maturity	09/01/2021			
Interest Rate	5.075%			
Current Year Interest	-0- Paid			
Current Year Principal	-0- Paid			

Meter Deposit Balance at Test Year End \$ 12,495.00

Meter Deposits Refunded During the Test Year \$ 0.00

CEDAR GROVE WATER

WATER COMPANY PLANT DESCRIPTION

WELLS					
ADWR ID Number	Pump Horsepower	Pump Yield (gpm)	Casing Size (inches)	Casing Depth (feet)	Meter Size (inches)
55-087623	5	11.5	6	860	1
55-550075	5	31.5	6 & 5	440	1 1/2
55-566375	7.5	56	6	544	1 1/2

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or obtained (thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.)=10,235

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	4	11	
5	1		
3/4	1		
1/2	1		
7.5	2		

STORAGE TANKS		PRESSURE TANKS	
CAPACITY (gals)	QUANTITY (how many)	CAPACITY (gals)	QUANTITY (how many)
10,000	1	1000	1
15,000	1	2000	1
12,500	1		
50,000	1		
250,000	1		

TREATMENT EQUIPMENT:

N/A

STATISTICAL INFORMATION

Total number of customers 185

Total number of gallons sold 11,864,729 gallons

CEDAR GROVE WATER

YEAR ENDING 12/31/2001

INCOME TAXES

For this reporting period, provide the following: *(Not applicable -- Sole Proprietorship pays*

Federal Taxable Income Reported *it's taxes based on Owner's Schedule C*

Estimated or Actual Federal Tax Liability *income.)*

State Taxable Income Reported

Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

Amount of Gross-Up Tax Collected

Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

3-13-02

DATE

Mark Grapp

PRINTED NAME

owner

TITLE

CEDAR GROVE WATER

YEAR ENDING 12/31/2001

WATER AND SEWER
UTILITIES ONLY

PROPERTY TAXES

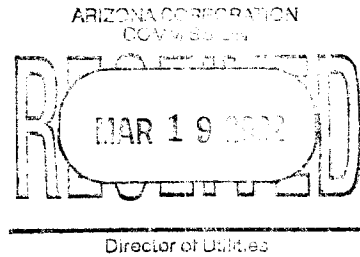
Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$2,440.51

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled
Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only



VERIFICATION

STATE OF ARIZONA

County of NAVAJO

I, MARK GRAPP, THE UNDERSIGNED OWNER OF THE CEDAR GROVE WATER COMPANY
DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION
COMMISSION

	MONTH	DAY	YEAR
FOR THE YEAR ENDING	12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues
Only

\$68,979.17 BILLED

(THE AMOUNT ABOVE INCLUDES
\$3,870.97 IN SALES TAXES BILLED)

**REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)


SIGNATURE OF OWNER

(928)536-5431

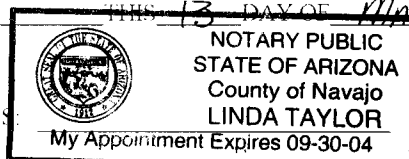
TELEPHONE NUMBER


*REVENUE REPORTED ON THIS PAGE IS BASED ON ACTUAL AMOUNT BILLED, WHEREAS REVENUE IN FINANCIAL STATEMENT IS BASED ON CASH RECEIPTS DURING THE YEAR. THERE WAS \$68,979.17 BILLED; \$63,217.25 RECEIVED IN PAYMENTS DURING 2001. FOR A DIFFERENCE OF \$5,761.92. BOOKS ARE KEPT ON CASH BASIS, NOT ACCRUAL. SALES TAXES ARE PAID MONTHLY ON AMOUNTS RECEIVED.

SUBSCRIBED AND SWORN TO BEFORE ME, A NOTARY PUBLIC IN AND FOR THE COUNTY OF

NAVAJO
(SEAL)

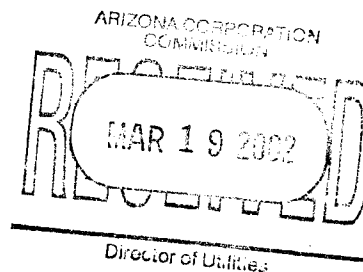
THIS 13 DAY OF MARCH, 2002.




SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES:

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only



VERIFICATION

STATE OF ARIZONA

County of NAVAJO

I, MARK GRAPP, THE UNDERSIGNED OWNER OF THE CEDAR GROVE WATER COMPANY
DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION
COMMISSION

	MONTH	DAY	YEAR
FOR THE YEAR ENDING	12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Residential
Revenues
\$60,815.43 BILLED
(THE AMOUNT ABOVE INCLUDES
\$3,409.98 IN SALES TAXES BILLED)

**REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED.

*REVENUE REPORTED ON THIS PAGE IS BASED ON ACTUAL AMOUNT BILLED, WHEREAS REVENUE IN FINANCIAL STATEMENT IS BASED ON CASH RECEIPTS DURING THE YEAR. THERE WAS \$60,815.43 BILLED; \$56,747.96 RECEIVED IN PAYMENTS DURING 2001, FOR A DIFFERENCE OF \$4,067.47. BOOKS ARE KEPT ON CASH BASIS, NOT ACCRUAL. SALES TAXES ARE PAID MONTHLY ON AMOUNTS RECEIVED.

SIGNATURE OF OWNER

(928)536-5431

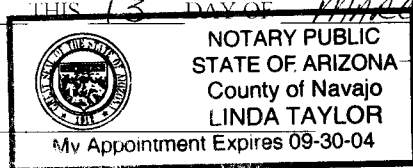
SUBSCRIBED AND SWORN TO BEFORE ME, A NOTARY PUBLIC IN AND FOR THE COUNTY OF

NAVAJO
(SEAL)

THIS 13 DAY OF MARCH

2001 2002

MY COMMISSION EXPIRES:


SIGNATURE OF NOTARY PUBLIC

00242 47991
CEDAR GROVE WATER
P.O. BOX 426
LAKESIDE, AZ 85929

5 01090

2447

Date 6-5-01

91-170/1221 AZ
8595

Pay to the order of Apache County \$ 1268⁶⁷/₁₀₀
one thousand two hundred sixty eight & 67/100 Dollars
Bank of America

AUTH RT 122101706

For 901-60-900

⑆122101706⑆ 000094775439⑆ 2447 ⑆0000126867⑆

01-1/2 -48625
CEDAR GROVE WATER
P.O. BOX 426 928-537-8739
LAKESIDE, AZ 85929

8024747

2618

Date 11-27-01

91-170/1221 AZ
8595

Pay to the order of Apache Co. Treas. \$ 1171⁸⁴/₁₀₀
one thousand one hundred seventy one & 84/100 Dollars
Bank of America

AUTH RT 122101706

For 901-60-900

⑆122101706⑆ 000094775439⑆ 2618 ⑆0000117184⑆

DEC-5-01

WFB TEMPE, AZ 122101706
TRAY TO THE ORDER OF
WELLS FARGO BANK, N.A.
PHOENIX, AZ 85012
122105278

12-3-20-01

FOR DEPOSIT ONLY
APACHE COUNTY TREASURER
ACCT # 0529790115

12/06/01 E2712 01 P01
3150559495

WFB TEMPE, AZ 06132001
TRACER# 1429 016
1221-052784

PAY TO THE ORDER OF
WELLS FARGO BANK, N.A.
PHOENIX, AZ 85012
122105278
FOR DEPOSIT ONLY
APACHE COUNTY
TREASURER'S OFFICE
0529790115

06/13/01 E3085 01 P01
3150374910

10311-28637